

**LEMON GROVE CITY COUNCIL
AGENDA ITEM SUMMARY**

Item No. 5
Mtg. Date April 17, 2018
Dept. Development Services Department

Item Title: **Public Hearing to Consider Approval of the Downtown Specific Plan (General Plan Amendment GPA-180-0001) Authorizing a Comprehensive Amendment to the Downtown Village Specific Plan and Expansion of the Specific Plan Area (219 total acres)**

Staff Contact: David De Vries, Development Services Director
Michael Viglione, Assistant Planner

Recommendation:

- 1) Conduct the public hearing;
- 2) Introduce and conduct first reading of Ordinance No. 449 (**Attachment B**) approving General Plan Amendment GPA-180-0001 and certifying Mitigated Negative Declaration ND18-01.

Item Summary:

The Downtown Specific Plan (DSP) includes an expansion and update of the 2005 Downtown Village Specific Plan. The DSP will serve as a regulatory document that defines and regulates Downtown Lemon Grove's density, land use designation, development, design, circulation and growth. The DSP seeks to leverage development opportunities near the City's transit stations to energize downtown through economic development, place making and balanced circulation supported by a pedestrian oriented multi-modal circulation network to spur the growth and development required to realize a revitalized downtown. Mitigation Measures included in the environmental assessment will reduce potential impacts to below a level of significance. Comments received and staff responses will be provided to the City Council at the public hearing for consideration.

Fiscal Impact:

No fiscal impact. SANDAG's Smart Growth Incentive Program (SGIP) grant is funding the DSP.

Environmental Review:

- | | |
|--|--|
| <input type="checkbox"/> Not subject to review | <input type="checkbox"/> Negative Declaration |
| <input type="checkbox"/> Categorically Exempt | <input checked="" type="checkbox"/> Mitigated Negative Declaration |

Public Information:

- | | | |
|---|---|--|
| <input type="checkbox"/> None | <input checked="" type="checkbox"/> Notice to Stakeholders | <input checked="" type="checkbox"/> Notice to property owners within 500 ft. |
| <input checked="" type="checkbox"/> Notice published in local newspaper | <input checked="" type="checkbox"/> Community Workshops and Surveys | |

Attachments:

- A. Staff Report
- B. Ordinance No. 449 (GPA-180-0001)
- C. Vicinity Map (Figure 1.2-4 of the DSP)
- D. Exhibit "A"- DRAFT Downtown Specific Plan
- E. Exhibit "B" - DRAFT Mitigated Negative Declaration ND18-01 with MMRP

LEMON GROVE CITY COUNCIL STAFF REPORT

Item No. 5

Mtg. Date April 17, 2018

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Staff Contact: David De Vries, Development Services Director
Michael Viglione, Assistant Planner

Project Overview:

This item is a request to amend and comprehensively expand and update the City of Lemon Grove's 2005 Downtown Village Specific Plan. This update, called the Downtown Specific Plan (DSP), includes an expansion of the specific plan area within City limits from approximately Massachusetts Avenue to the west, Highway 94 to the north, Washington Street to the east and Lincoln Street to the south. The DSP will serve as a regulatory document that defines and regulates Downtown Lemon Grove's density, land use designation, development, design, circulation and growth. The Specific Plan expands Special Treatment Area (STA) 1 (Downtown Village) from 58 acres to 219 acres, expands STA V (Automotive Sales District) for the existing Honda Dealership due to the Realignment project and eliminates STA III (Regional Commercial) which removes emphasis on building "Big Box" style retail in the downtown. Both the 2005 Downtown Village Specific Plan and the 1992 Broadway Commercial Project Specific Plan which governs the Home Depot site will be rescinded as a result of the adoption of the DSP.

The DSP seeks to leverage development opportunities near the City's transit stations to support local businesses and energize downtown through economic development, place making and balanced circulation. An emphasis on housing will attract quality restaurants and retailers sought by the community. The DSP includes a variety of zoning districts which rely on Form Based Code, by-right land use permissions, and unique architectural design requirements to emphasize the character of existing downtown neighborhoods. Accommodations are also made for outdoor live music, events and activities. The DSP relies on increased densities and intensities supported by a pedestrian oriented multi-modal circulation network to spur the growth and development required to realize a revitalized downtown. Under the DSP, up to 3,000 new dwelling units and up to 143 new acres in floor area of commercial, industrial, hotel and office space are anticipated at build out. The Draft Mobility Element includes additional pedestrian and bicycle corridors and new street designations to limit the need to acquire additional right-of-way to install complete streets within the City. Street improvements include landscape, street trees, sidewalks, bulb outs, lighting, street furniture, trash receptacles and pedestrian and bicycle amenities. Several new street intersections are proposed to improve pedestrian safety and encourage multiple stop shopping with the added benefit of improved traffic flow. Gateway and Wayfinding locations and samples are included to assist with future cost estimates and grant funding for sign infrastructure. Developers will be required to pay for their fair share of street improvements and wayfinding and

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gateway signage within the downtown and community facilities districts, and similar improvement districts are encouraged in the specific plan.

The preparation of the DSP was funded by SANDAG through a Smart Growth Incentive Planning Grant (SGIP) and the grant expires May 20, 2018. Consultants cannot be reimbursed for costs incurred after this date. The community outreach is complete for the DSP and staff received direction from the City Council for the preparation of the draft DSP. The draft DSP preparation was coordinated by the City Planning Division and our contract consultant's Rick Engineering Company, Urban Design & Planning Division. An environmental assessment was conducted, and Mitigation Measures included in the environmental assessment will reduce potential impacts to below a level of significance. Specific Council Policy related to the vested rights of those planning applications that are not fully entitled must be adopted during DSP implementation to address any outstanding questions.

Background:

The Existing Plan (DVSP)

The Downtown Village Specific Plan (DVSP) was adopted by the Lemon Grove City Council in 2005. The goal of the DVSP is to implement the 1996 General Plan's vision for the Downtown Village: to create a lively mix of retail, offices, condominiums and apartments supported by a variety of transportation options. A few of these key projects, which resulted from the DVSP, include the Main Street Promenade Park, a linear park themed 'Yesterday, Today and Tomorrow;' Citronica I, a five story/56-unit affordable housing complex with 3,650 square feet of retail space fronting North Avenue; Citronica II, a five story/80-unit affordable senior housing complex; and Celsius, the newest addition to the Main Street Promenade area, which is a four story/84-unit market rate complex.

SANDAG Smart Growth Incentive Program Grant Award and Expanded Study Area

In 2006, SANDAG accepted the first Smart Growth Concept Map (SGCM) to illustrate the location of existing, planned and potential smart growth areas in the County. SANDAG initially adopted two smart growth sites in Lemon Grove: the Lemon Grove Depot Trolley Station at Broadway and Main Street (LG-1 Town Center), and the Massachusetts Trolley Station at Lemon Grove Avenue and Massachusetts Avenue (LG-3 Community Center). During the SGCM's update process, the City Council consented to expanding the smart growth area to allow for continued success of Transit Oriented Development (TOD). As such, SANDAG has identified the expanded area (254 acres) inclusive of the existing DVSP area as a Smart Growth Opportunity Area (LG-2 Town Center). This designation places the City in a position to acquire capital infrastructure grants in the future and to become a regional hotspot for smart growth and TOD. In 2015, the City Council expressed interest in exploring new opportunities for the downtown and as such, they authorized the submittal of a grant application for an expansion to the DVSP consistent with SANDAG's updated SGCM. The City was later awarded the grant, and the City Council contracted with Rick Engineering to prepare the DSP. Brian Mooney is the principal-in-charge at Rick Engineering and he also prepared the original DVSP.

As a result of the Baseline Opportunities and Constraints Report and community workshops, it was determined that the areas surrounding and east of Acacia Street, the area south of Pacific Avenue and west of Olive Street, and the area north of Golden Avenue and east of Kempf Street did not warrant consideration for inclusion of the expanded DSP area in order to maintain a lower density transition zone into the downtown. The area north of Broadway, between St. John of the

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Cross and Sparkle Self-Service Car Wash was added to the DSP area due to its redevelopment potential as an extension of the downtown shopping corridor.

Background Report

A Baseline Opportunities and Constraints (Background) Report was prepared before development of the DSP and explored seven key planning topics. The report established an inventory of existing conditions and provided a foundation for the vibrant Downtown Village vision articulated in the DSP. Important findings include:

- Land Use: Existing land use patterns within the DVSPE area pose a number of constraints preventing the City from achieving full development potential within the study area. These constraints include: a predominance of small parcel sizes; the limited number of parcels within the DVSP Expansion Area that the City owns; and an abundance of established land uses (already developed) increasing costs of acquisition and redevelopment.

Benefits of the City's downtown include its central location, the presence of a Trolley station, a walkable geographic area, and many underutilized or vacant parcels. Through the addition of more market rate housing and employment centers bringing families and professionals into the DVSPE area, the City can attract more entertainment oriented land uses and high quality retailers (e.g., movie theatres, sit-down restaurants, breweries, etc.). The most critical opportunities include reducing development costs through low fees, short development review and entitlement timelines, and minimized City requirements and expanded development opportunities through zoning allowances for five story mixed uses and allowances for entertainment and employment oriented land uses and high quality retailers.

- Visual Character: Many areas in Downtown Lemon Grove lack visual interest, are not pedestrian friendly and/or are not well maintained. Opportunities to enhance the visual character of the area to attract development, residents and visitors exist and include enhancements to architecture, landscape, street furniture, lighting, public art, façade improvements, "green-street" designs and signage.
- Mobility: The State Route 94 and the Trolley tracks pose a natural barrier that causes traffic and reduces pedestrian mobility. Existing traffic conditions on the east side of the trolley tracks operate at high service levels and would accommodate additional growth and density.
- Infrastructure: Water service, wastewater service, stormwater and drainage service and utilities are all sufficient to accommodate future growth. Three wastewater pipelines will require monitoring in order to assure adequate service is provided for future population growth. There are six locations within the DVSPE area that are experiencing drainage deficiencies and should be monitored and/or improved if these deficiencies continue or are exacerbated. Recent findings show that water pressure for fire suppression systems to service the downtown will require assistance from pump (booster) systems either at each individual development or from service mains.
- Public Safety: Current County of San Diego Sheriff's and Heartland Fire and Rescue Department staffing levels are adequate to meet response time standards for the City, though the local Departments will likely be strained by an increase in population and development. Additional staffing and equipment may be necessary to meet the service call demands associated with these increases. Heartland Fire and Rescue has achieved an Insurance Service Organization (ISO) 1 classification, the highest level achievable.

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- Environmental Issues: The downtown area is highly urbanized and previously disturbed by human activity with little to no constraints towards development. Known historic/cultural resources within the area are limited to seven historic sites.
- Market and Economic Analysis: Market rate housing is a critical driver in attracting desirable land uses for Lemon Grove contributing to local spending for retail, dining and services. Based on permit records within the DVSP over the last 12 years, only areas that were rezoned to five stories or more received interest that resulted in redevelopment. For the areas only allowing three story building heights, no development occurred. Residential housing development within the DSP area would serve to support an expansion of the commercial/office space development opportunities within the City.

A critical element to the City's sustainability and economic viability is addressing the jobs-housing balance. There are few employment industries in the City and additional hubs are needed for Lemon Grove to be consistent with regional averages. There is limited opportunity for high quality office development in the near term, so the City should focus on attracting professional office users. In the long term, providing a community identity (a sense of place), well maintained infrastructure and creating a regional destination will help attract family oriented businesses and entertainment uses and professional offices and hotels.

Public Outreach Summary

The City Council approved a Public Outreach Program for the DSP that satisfied statutory requirements and provided opportunities for meaningful public input on the Specific Plan. The Public Outreach Program included: noticing and marketing; media advisories; community group meetings; pop-up events; surveys; door-to-door canvassing; project website; email blasts; property owner notifications, two community workshops and one City Council public workshop. Bilingual project flyers were created and distributed in community places of interest and posted in City all facilities.

Surveys to business owners cited competitive rents or property values and convenient freeway access as the major attractors of conducting business Downtown. The major challenges that were cited include unappealing physical building aesthetics and a perceived lack of maintenance and cleanliness throughout the area as a whole. Another challenge to conducting business in the area is the perception of high crime. Business owners expressed belief that streetscape improvements, façade improvements, and wayfinding signage will improve their business opportunities.

Results of the general surveys indicate that the majority of residents visit Downtown at least once a week. Primary reasons for doing so include activities, such as dining out, shopping, and visiting the post office. However, a majority of residents do feel that Downtown is not family-friendly and would like to see more food and drink venues, entertainment venues and shops. Residents cited that shopping choices were limited and that they would like to see a greater variety of retail sales and services. Respondents indicated that they were open to the formation of themed districts, such as an Arts District and Historic District. Deterrents to visiting the Downtown area include lack of maintenance, perception of crime, a lack of parking, and vagrancy.

Workshop attendees were open to two to five story buildings in the Downtown, but also wanted to retain the City's small town feel. The cleanliness and perception/presence of homeless/transients, crime and criminal activity was the largest deterrent to community members spending more time Downtown. There was a lot of animosity towards new affordable housing developments, reductions in parking and potentially increasing traffic. More family oriented and business professional type businesses were highly desired (e.g., restaurants, breweries, brewpubs, movie theatres, etc.) and they understood the need for market rate housing in order to

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attract additional retailers. Generally, attendees were open to office and hotel type uses. Having a larger mix of businesses was also desired. Allowing for art and providing an art and historic districts were generally well supported. Attendees requested safe walking and biking connections between destinations within the Downtown corridor and ranked pedestrian access as a high priority. Additional park and parkette areas were desired. Respondents were very supportive of concepts like a Broadway road diet and plaza space and creating opportunities for outdoor live performances and increasing outdoor activities. The complete workshop and survey summaries are available online (www.tinyurl.com/dvspe).

At the City Council Public Workshop, the City Council directed staff to proceed with a draft specific plan. The Council acknowledged the community concerns and desires and was receptive to Staff's revised alternatives and goals, objectives and policies which helped to preserve the City's "small town" charm, create unique neighborhoods and promote redevelopment around the trolley station and included 5-story mixed use zoning and maximized the allowable uses for the zones with an emphasis on allowing auto repair and industrial businesses to expand and thrive in existing heavy commercial areas. The City Council was generally supportive of the Broadway Plaza retail promenade concept, but emphasized safety and crime prevention. The Council had varying opinions on parking in the downtown, but largely agreed that five-story zoning on the south side of Broadway between Kempf Street and Lemon Grove Avenue would be beneficial to downtown revitalization if additional public parking was provided.

Discussion:

Through the Public Outreach process, the Lemon Grove community has expressed a desire for change and relayed perceptions about vagrancy, criminal activity, and lack of maintenance and cleanliness within Downtown Lemon Grove. The Baseline Opportunities and Constraints Report further identifies constraints that prevent the downtown area from achieving its full development potential, including: a predominance of small parcels that require assembly to accommodate higher density development; the City's limited land ownership within the Specific Plan area requires the ability to leverage market forces and developer incentives to trigger desired changes; and an abundance of established land uses that increase costs of redevelopment. These perceptions coupled with the challenges identified in the Background Report likely contributed to the incomplete realization of the 2005 Downtown Village Specific Plan's vision for a vibrant and sustainable downtown.

In order to achieve the DSP's expanded vision of a vibrant downtown with attractive public spaces, the City needs added revenue and investment to maintain and improve downtown. However, the City's top revenue sources of retail sales tax, property tax and hotel transient occupancy tax are currently insufficient to produce this outcome. The Market and Economic Analysis in the Background Report observes that more people are needed in the downtown to attract the retailers and entertainment oriented land uses the community wants. To accomplish this, the Background Report states that the City needs to provide enticing development opportunities by including market rate housing among four (4) and five (5) story mixed-uses and create an efficient, cost-effective regulatory environment for development. City records indicate that Downtown Village Specific Plan areas zoned five stories yielded over 3 acres of redevelopment with 220 new dwelling units over the last four years while areas zoned for three stories yielded none. Through the addition of more market rate housing and employment centers and the resulting families and

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professionals in the DSP area, the City can attract more entertainment oriented land uses and high-quality retailers desirable to the community.

The DSP aims to provide these enticing development opportunities by expanding the acreage of land designated for five (5) story mixed-use from approximately nine (9) to 47 acres and by including over 10 acres of five (5) story employment center designations. While the DSP also requires project developers to pay their fair share for downtown street improvements, parks, wayfinding and gateway signage, and safety and maintenance, development within the Specific Plan area will be prioritized and additional incentives will be available for community benefits to provide further incentives for project applicants. The creation of Community Facilities Districts is expected within the DSP to fund long-term maintenance and programming for these improvements. Expanded redevelopment opportunities in conjunction with the DSP requirements to construct and/or fund infrastructure improvements is anticipated to create a more supportive business climate in a livable, walkable, and vibrant downtown setting.

Environmental Analysis:

A Mitigated Negative Declaration (MND) of Environmental Impact was prepared for the DSP pursuant to the requirements of the California Environmental Quality Act (CEQA). The MND identified potential impacts to: Air Quality; Cultural Resources; Geology & Soils Greenhouse Gas Emissions; Hazards & Hazardous Materials; Noise; Public Services; Recreation; Transportation/Circulation; Tribal Cultural Resources; Utilities and Service Systems; and Mandatory Findings of Significance. Mitigation Measures included in the MND would reduce all the aforementioned, potential impacts to below a level of significance and include: requiring a historical survey prior to the demolition or remodel of any building over 50 years old; cultural and paleontological monitoring during any ground disturbing activities; requiring environmental assessments when soil disturbance is proposed; requiring public service assessments and fair share contributions from project applicants; traffic intersection signalization for several existing intersections; and supplemental traffic analysis requirements near buildout; among others. The MND was sent to the State Clearinghouse and made available for public review over a 30 day period from March 15, 2018 to April 14, 2018.

Comments from the Department of Toxic Substances Control were received on April 5, 2018 and additional comments from state agencies and the public are expected before the review period ends on April 14, 2018. All comments will be collected and addressed in a single document that will be provided to the Council and made available to the public at the hearing on April 17, 2018.

Public Information:

The Notice of Public Hearing was published in the March 15, 2018 edition of the East County Californian and mailed to all property owners within 500 feet of the subject property.

A Native American Tribal Government Consultation was conducted pursuant to Government Code Sections 6540.2, 65092, 65351, 65352.3, 65352.4, 65562.5 et. seq.

Additionally, the community surveys and three community workshops were held including a workshop with the City Council. Workshop attendees and community stakeholders were notified.

The City received comments from the Department of Toxic Substances Control on April 5, 2018 in response to the Notice of Public Hearing and Environmental Analysis and additional comments from state agencies and the public are expected before the review period ends on April 14, 2018.

Attachment A

Staff will provide the Council with all comments and responses in a single document at the time of the public hearing.

Conclusion:

Staff recommends that the City Council conduct the public hearing, introduce and conduct first reading of the Ordinance (**Attachment B**) which includes approval of the DSP and certification of the MND with any corrections proposed by the City Council coordinated by City Staff. Upon expiration of the SGIP SANDAG Grant on May 20, 2018, the City will no longer be able to reimburse its contractor.

Attachment B

ORDINANCE NO. 449

AN ORDINANCE OF THE CITY OF LEMON GROVE CITY COUNCIL APPROVING THE DOWNTOWN SPECIFIC PLAN (GPA-180-0001) AND CERTIFYING MITIGATED NEGATIVE DECLARATION (ND18-01)

WHEREAS, the Community Development Element of the 1996 Lemon Grove General Plan anticipated the preparation of a specific plan for the traditional downtown commercial district at Broadway and Lemon Grove to optimize village redevelopment efforts and achieve community objectives; and

WHEREAS, the City Council adopted the Broadway Commercial Project Specific Plan (SP92-01) providing land use regulation for the Home Depot site at 7530 Broadway on July 20, 1992 with subsequent amendments; and

WHEREAS, the City Council adopted the Downtown Village Specific Plan on June 7, 2005 with subsequent amendments; and

WHEREAS, on March 3, 2015, the City Council approved Resolution 2015-3315 authorizing the submittal of a grant application for the Downtown Village Specific Plan Expansion Project; and

WHEREAS, on July 24, 2015, the City Council received a Notice of Smart Growth Incentive Program Planning Grant Award of \$175,000 from SANDAG; and

WHEREAS, on November 17, 2015, the City Council approved a professional services agreement with Rick Engineering for the preparation and execution of the Downtown Village Specific Plan Expansion Project; and

WHEREAS, on January 5, 2016, the City Council approved a revised professional services agreement with Rick Engineering to provide additional economic, land use, and traffic analysis; and

WHEREAS, on August 27, 2016 and December 10, 2016, City Staff held Community Workshop #1 and Community Workshop #2 to engage the community on key issues and opportunities of the Downtown Village Specific Plan Expansion; and

WHEREAS, on April 8, 2017, City staff held a City Council Workshop to provide public outreach findings and consultant recommendations; and

WHEREAS, on April 17, 2018, the City Council duly noticed and held a public hearing to consider the Specific Plan Amendment (GPA18-001); and

WHEREAS, a Negative Declaration of Environmental Impact (ND18-01) regarding the Specific Plan Amendment (GPA18-001) will be filed subsequent to its adoption and the approval of the proposed project by the City Council; and

WHEREAS, the City Council finds that this Specific Plan Amendment is necessary for the public interest and is consistent with the purpose and intent of the Specific Plan and Lemon Grove General Plan; and

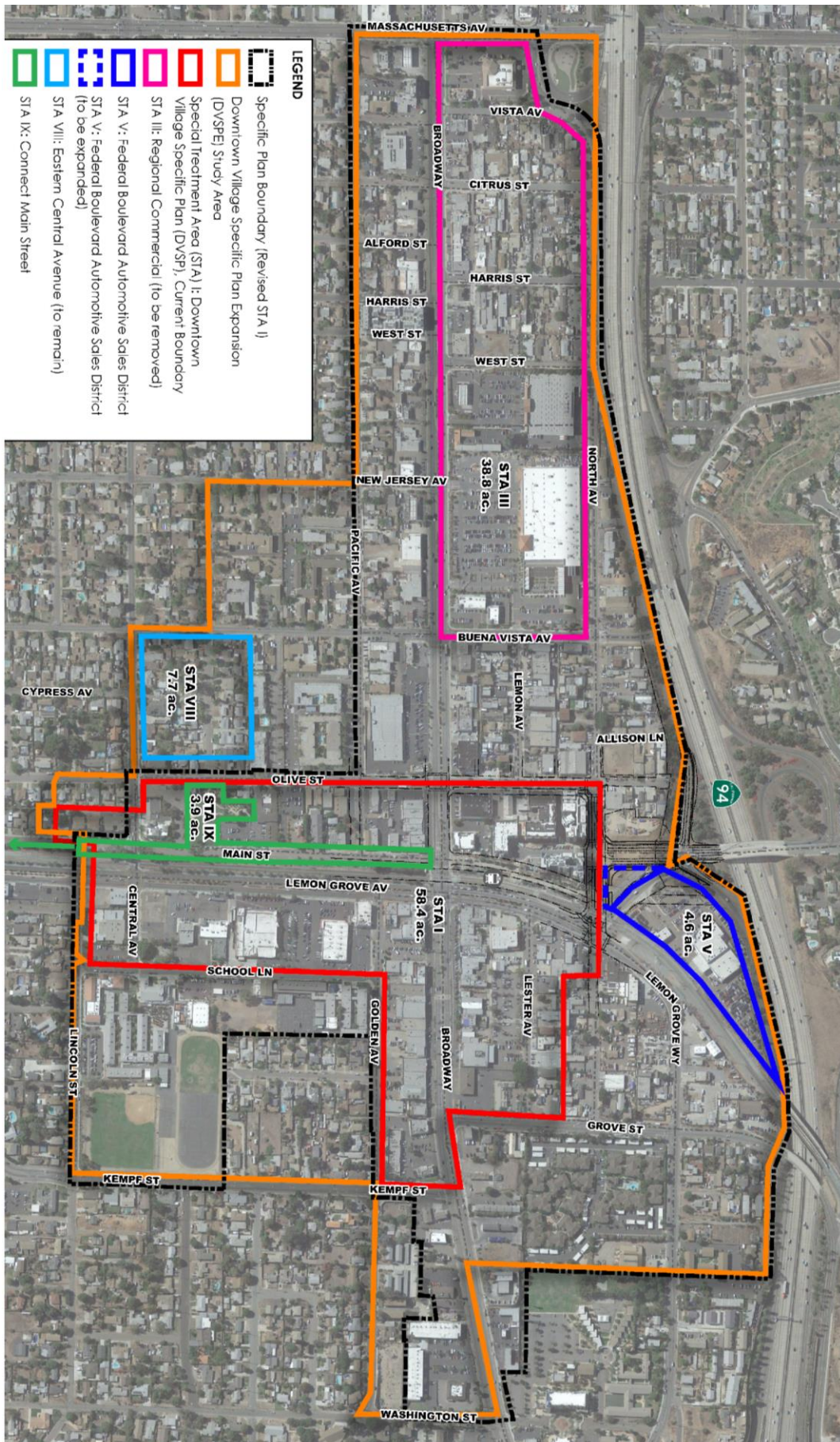
WHEREAS, the City Council finds that this Specific Plan Amendment is necessary to promote a vibrant and thriving business environment, and leverage development opportunities near the transit station to achieve goals related to economic development, place making, and increased mobility; and

Attachment B

WHEREAS, at said public hearing, the City Council finds that the proposed Specific Plan is consistent with Sections 65450-65456 of the Government Code.

NOW, THEREFORE, BE IT RESOLVED that the City of Lemon Grove City Council hereby:

- SECTION 1.** Finds and determines that the facts set forth in the recitals of this Resolution are declared to be true; and
- SECTION 2.** Finds and determines that the project deliverables are completed per the scopes of work for the Rick Engineering Professional Services Agreement and for the SANDAG SGIP Grant Agreement to the satisfaction of City staff and the City Council and finds that the final deliverables fulfill the SANDAG SGIP Grant requirements; and
- SECTION 3.** Certifies the adequacy of the Mitigated Negative Declaration of Environmental Impact (ND18-01); and
- SECTION 4.** Approves General Plan Amendment GPA-180-0001 and adopts the Downtown Specific Plan (Exhibit A) as a comprehensive update and expansion to the existing Downtown Village Specific Plan, expands the boundaries of Special Treatment Area I, dissolves Special Treatment Area III, and extends the boundaries of Special Treatment Area V west to the realigned intersection of Lemon Grove Avenue and North Avenue (Reference Figure 1.2-4 in Exhibit A); and
- SECTION 5.** Rescinds the 2005 Downtown Village Specific Plan and subsequent amendments and the 1992 Broadway Commercial Project Specific Plan which governs the Home Depot site and subsequent amendments; and
- SECTION 6.** Exempts applications deemed complete prior to the effective date of this Ordinance from the regulations of the Downtown Specific Plan (Exhibit A), including any resulting changes to fees and/or infrastructure or fair share costs, for a period of two years from the effective date of this ordinance.



DVSPe STUDY AREA, SPECIAL TREATMENT AREAS, & SPECIFIC PLAN

FIGURE 1.2-4

Attachment D

Exhibit “A” – DRAFT Downtown Specific Plan

Available at: www.tinyurl.com/dvspe

Attachment E

Exhibit "B" - DRAFT Mitigated Negative Declaration ND18-01 w/ MMRP

Available at: www.tinyurl.com/dvspe